



HAMILTON UTILITIES CORPORATION SPECIAL SHAREHOLDER MEETING MINUTES 17-002

December 6, 2017, 3:45 p.m.

Council Chambers, Hamilton City Hall, 71 Main Street West

Present: Mayor F. Eisenberger (Chair)
Councillors T. Whitehead, D. Skelly, T. Jackson, C. Collins, S. Merulla,
J. Farr, A. Johnson, D. Conley, M. Pearson, B. Johnson, A. VanderBeek,
J. Partridge

**Absent
with Regrets:** Councillor R. Pasuta – Other City Business
Councillor L. Ferguson, M. Green – Personal

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. Hamilton Utilities Corporation (HUC) Tax and Corporate Restructuring (LS17039) (City Wide) (Item 4.1)

(A. Johnson/Skelly)

That Report LS17039, respecting the Hamilton Utilities Corporation (HUC) Tax and Corporate Restructuring, be received.

CARRIED

2. Hamilton Utilities Corporation (HUC) – Special Dividend as a Result of the Alectra Merger (LS17038) (City Wide) (Item 5.1)

(B. Johnson/Pearson)

That the City of Hamilton approve the Special Dividend of \$6,549,782.61 from Hamilton Utilities Corporation (HUC) in satisfaction of all closing adjustments from the merger of Horizon and other entities to form Alectra, and the proceeds from such Special Dividend be allocated through the 2018 City budget process.

CARRIED

3. Use of Project Corporations (Item 7.1)

(Pearson/Conley)

WHEREAS it may be beneficial from time-to-time for Hamilton Utilities Corporation (the "Corporation") to manage its financial risk through the use of project corporations that the City of Hamilton, as shareholder of the Corporation (the "Shareholder") indirectly and wholly owns ("Project Corporations");

AND WHEREAS by using PCs, the Corporation and its affiliates can segregate project assets from the remaining assets of the Corporation and its affiliates and, thus, obtain project financing on a non-recourse basis, using only the project assets as security;

AND WHEREAS it is anticipated that the Corporation and its affiliates will be reorganized, such that one corporation shall act as a holding company for the Shareholder's investment in Alectra Inc. ("HUC"), and another corporation shall act as a holding company for the Shareholder's other energy and telecom assets ("Energy2");

AND WHEREAS it is also anticipated that after the Corporation and its affiliates are reorganized, Unanimous Shareholder Declarations concerning, among other things, governance matters, will be passed for each of HUC and Energy2;

AND WHEREAS the Board of the Corporation is desirous to use Project Corporations as subsidiaries of Energy2 to obtain non-recourse project financing for upcoming projects;

NOW, THEREFORE, BE IT RESOLVED THAT:

The Corporation be permitted to incorporate and use Project Corporations to own and conduct projects, provided that the Board of the Corporation determines that so doing serves a legitimate business purpose and the Project Corporations are subsidiaries of Energy2;

The Corporation report to the Shareholder the incorporation of any Project Corporation, along with its intended purpose in a timely manner and, in any event, no later than the annual shareholder meeting immediately following such incorporation;

The Corporation provide a copy of any founding documents, including any unanimous shareholder declarations or resolution, to the Shareholder in a timely manner and in any event no later than ninety (90) business days after they have been fully executed or received; and,

The use of Project Corporations by Energy2 and its subsidiaries be incorporated into a Unanimous Shareholder Declaration for Energy2, together with ceilings for debt-equity ratios and other financial controls, with content approved by the General Manager of Finance and Corporate Services for the Shareholder and the form approved by the City Solicitor for the Shareholder.

CARRIED

FOR THE INFORMATION OF THE SHAREHOLDER:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised of the following change to the agenda:

- (i) Added Item 6.1 – a presentation respecting a Shareholder Update respecting the Merger Proposal with Guelph Hydro

The balance of the agenda will be renumbered accordingly.

(Pearson/Conley)

That the agenda for the December 6, 2017 Hamilton Utilities Corporation Shareholder Special meeting be approved, as amended.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

- (i) **June 8, 2017 (Item .1)**

(Pearson/Skelly)

That the Minutes of the June 8, 2017 Hamilton Utilities Corporation Shareholder Annual General Meeting be approved, as presented.

CARRIED

(d) PRESENTATIONS (4)

- (i) **Shareholder Update respecting the Merger Proposal with Guelph Hydro**

Max Cananzi, President of Alectra provided a PowerPoint presentation with respect to the merger proposal with Guelph Hydro.

(Conley/Pearson)

That the presentation respecting the merger proposal with Guelph Hydro, be received.

CARRIED

A copy of the presentation is available through the Office of the City Clerk.

(e) ADJOURNMENT (Item 7)

(Pearson/B. Johnson)

That, there being no further business, the Hamilton Utilities Corporation Shareholders meeting, be adjourned at 4:05 p.m.

CARRIED

Respectfully submitted,

Mayor Fred Eisenberger

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk